

COMMITTEE ON GOVERNMENT REFORM

TOM DAVIS, CHAIRMAN



NEWS RELEASE

For Immediate Release
April 28, 2005

Contact: Robert White/Drew Crockett
(202) 225-5074

Davis Statement on DHS Acquisition Management Study

Washington, D.C. – Government Reform Committee Chairman Tom Davis (R-VA) issued the following statement today on the Government Accountability Office (GAO) report titled, *GAO-05-179 Homeland Security; Successes and Challenges in DHS's Efforts to Create an Effective Acquisition Organization*:

“Today’s report requested by the Government Reform Committee finds that while the Department of Homeland Security (DHS) has been successful in some areas, it still faces challenges in integrating acquisition functions across the Department. I’m pleased to hear DHS has been able to meet some of its mission needs through the use of strategic sourcing. The strategic sourcing program has already led to \$14 million in savings as a result of leveraging resources across DHS; officials expect the savings to grow over time. GAO also found that, in 2004, DHS awarded 35 percent of its prime contract dollars to small businesses, exceeding the small business goal of 23 percent.

“While these successes are welcomed news to the Committee, GAO found several disturbing trends in the Department’s efforts to integrate its acquisition functions. While an October 2004 directive delegates the responsibility to manage and oversee all DHS acquisition activities to the Chief Procurement Officer (CPO), in practice there is little enforcement, and the directive exempts the U.S. Coast Guard and U.S. Secret Service. GAO found no reasonable basis for the exclusion. Policy decisions such as this one will effectively shackle the CPO in integrating acquisition functions.

“Another disconcerting trend is that DHS organizations are conducting acquisition activities independently with little or no central control. For example, GAO points to one DHS organization, which handles about \$2 billion in obligations for various departmental organizations, that is woefully lacking in internal controls and oversight and has relied extensively on outside agencies for contract support. The CPO must be empowered with

sufficient resources and enforcement authority to enable effective, department-wide oversight of acquisition policies and procedures.

“The Committee expects DHS senior leadership to implement GAO’s recommendations. It is particularly critical that DHS ensures the CPO is provided with sufficient resources and enforcement authority so that the CPO is able to exercise effective oversight of DHS’s acquisition policies and procedures. Such direct-line authority should go a long way towards addressing many of the challenges facing DHS’s beleaguered acquisition organization.”

###

